

## 0520 Secretary for Business, Transportation and Housing

The mission of the Secretary for Business, Transportation and Housing (BTH) is to oversee and coordinate the activities of 13 departments and several important economic development programs and commissions that comprise the BTH Agency. These entities address financial services, transportation, affordable housing, real estate, managed health care plans and public safety, and have responsibilities that include:

- Improving government performance while promoting jobs and business growth.
- Building a world-class transportation system while enforcing traffic safety.
- Increasing affordable housing while regulating building quality.

Departments in the BTH Agency include:

- California Housing Finance Agency
- Department of Alcoholic Beverage Control
- Department of the California Highway Patrol
- Department of Corporations
- Department of Financial Institutions
- Department of Housing and Community Development
- Department of Managed Health Care, including the Office of the Patient Advocate
- Department of Motor Vehicles
- Department of Real Estate
- Department of Transportation
- Office of Real Estate Appraisers
- Office of Traffic Safety

Additionally, economic development programs that are part of the BTH Agency include:

- California Film Commission
- California Travel and Tourism Commission
- Infrastructure and Economic Development Bank
- International Trade Promotion
- Office of Military and Aerospace Support
- Small Business Loan Guarantee Program

---

### 3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

		<u>Positions</u>			<u>Expenditures</u>		
		<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2005-06*</u>	<u>2006-07*</u>	<u>2007-08*</u>
10	Administration of Business, Transportation and Housing Agency	23.5	22.0	22.0	\$3,092	\$3,192	\$3,372
25	Infrastructure Finance and Economic Development Program	34.3	38.6	41.6	22,913	22,116	24,375
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>		<b>57.8</b>	<b>60.6</b>	<b>63.6</b>	<b>\$26,005</b>	<b>\$25,308</b>	<b>\$27,747</b>
<b>FUNDING</b>					<b>2005-06*</b>	<b>2006-07*</b>	<b>2007-08*</b>
0001	General Fund				\$12,592	\$11,603	\$9,546
0044	Motor Vehicle Account, State Transportation Fund				1,125	1,246	1,428
0649	California Infrastructure and Economic Development Bank Fund				9,321	5,374	5,360
0890	Federal Trust Fund				-	-	4,300
0918	Small Business Expansion Fund				398	1,434	1,437
0995	Reimbursements				2,513	5,057	5,055
3083	Welcome Center Fund				56	56	78
3095	Film Promotion and Marketing Fund				-	10	10
9329	Chrome Plating Pollution Prevention Fund				-	528	533
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>					<b>\$26,005</b>	<b>\$25,308</b>	<b>\$27,747</b>

### LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Government Code, Title 2, Division 3, Part 2.5, commencing with Section 12800.

---

### MAJOR PROGRAM CHANGES

\* Dollars in thousands, except in Salary Range.

## 0520 Secretary for Business, Transportation and Housing - Continued

- **Tourism Marketing Budget Reduction** - The Budget includes a \$6.3 million General Fund reduction in the ongoing state contribution to tourism marketing pursuant to Chapter 790, Statutes of 2006 (AB 2592), which authorizes a new assessment of the rental car industry to support the marketing efforts of the California Travel and Tourism Commission. Upon approval of the assessment by the rental car industry, AB 2592 reverts to the General Fund \$6.3 million appropriated in Item 0520-001-0001, Budget Act of 2006.
- **International Trade and Investment** - The Budget includes \$591,000 General Fund and 3.0 positions to carry out Chapter 663, Statutes of 2006 (SB 1513), which requires the Business, Transportation and Housing Agency to produce a comprehensive study of the need for state programs to facilitate foreign trade, develop an international trade and investment strategy, and convene a statewide partnership for international trade and investment.
- **Small Business Loan Guarantee Program: Sudden and Severe Economic Dislocation** - The Budget includes a one-time General Fund appropriation of \$832,000 to match \$4.3 million in federal funds to provide additional loan guarantees to small businesses, particularly in areas that have suffered sudden job loss due to natural disasters or manufacturing plant closures.

### DETAILED BUDGET ADJUSTMENTS

	2006-07*			2007-08*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Baseline Adjustment Descriptions</b>						
• Small Business Development Centers: Federal Audit	\$-	\$-	-	\$861	\$-	-
• International Trade and Investment	-	-	-	591	-	3.0
• Other Workload Adjustments	-	41	-	220	250	-
• Technology, Trade and Commerce Agency Closure Costs	-	-	-	150	-	-
• Small Business Loan Guarantee Program: Financial Development Corporation Audit	-	-	-	125	-	-
• Employee Compensation/Retirement Adjustments	63	262	-	52	228	-
• Court Orders/Lawsuits	-8	-	-	-	-	-
• One-Time Cost Reductions	-	-	-	-4,833	-	-
• Reduce Tourism Marketing Budget	-6,300	-	-	-6,300	-	-
<b>Totals, Baseline Adjustments</b>	<b>-\$6,245</b>	<b>\$303</b>	<b>-</b>	<b>-\$9,134</b>	<b>\$478</b>	<b>3.0</b>
<b>Policy Adjustment Descriptions</b>						
• Augment Small Business Loan Guarantee Program Sudden and Severe Economic Dislocation Program	\$-	\$-	-	\$832	\$4,300	-
• Increase Welcome Center Fund Authority	-	-	-	-	21	-
<b>Totals, Policy Adjustments</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$832</b>	<b>\$4,321</b>	<b>-</b>
<b>TOTALS, BUDGET ADJUSTMENTS</b>	<b>-\$6,245</b>	<b>\$303</b>	<b>-</b>	<b>-\$8,302</b>	<b>\$4,799</b>	<b>3.0</b>

### PROGRAM DESCRIPTIONS (Program Objectives Statement)

#### 10 ADMINISTRATION OF BUSINESS, TRANSPORTATION AND HOUSING AGENCY

The objective of this program is two-fold. The Secretary, a member of the Governor's Cabinet, advises the Governor on major policy and program matters and oversees the operations of the Agency's departments and programs. The Administration Program also provides support services for the Agency.

#### 25 INFRASTRUCTURE FINANCE AND ECONOMIC DEVELOPMENT

The Infrastructure Finance and Economic Development Program's objective is to encourage and promote economic activity and investment within the state through various infrastructure, small business finance, and economic development programs. The Agency serves as a catalyst to help all sectors of the California economy succeed, including technology, tourism, entertainment, and small business. This program also includes the California Infrastructure and Economic Development Bank, which finances public infrastructure and private development that promotes economic growth, revitalizes communities and enhances the quality of life for Californians.

### DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

	2005-06*	2006-07*	2007-08*
<b>PROGRAM REQUIREMENTS</b>			

\* Dollars in thousands, except in Salary Range.

**0520 Secretary for Business, Transportation and Housing - Continued**

	<u>2005-06*</u>	<u>2006-07*</u>	<u>2007-08*</u>
<b>10 ADMINISTRATION OF BUSINESS, TRANSPORTATION AND HOUSING AGENCY</b>			
<b>State Operations:</b>			
0001 General Fund	\$78	\$-	\$-
0044 Motor Vehicle Account, State Transportation Fund	1,125	1,246	1,428
0995 Reimbursements	1,889	1,946	1,944
<b>Totals, State Operations</b>	<b>\$3,092</b>	<b>\$3,192</b>	<b>\$3,372</b>
<b>PROGRAM REQUIREMENTS</b>			
<b>25 INFRASTRUCTURE FINANCE AND ECONOMIC DEVELOPMENT PROGRAM</b>			
<b>State Operations:</b>			
0001 General Fund	\$12,514	\$9,103	\$9,546
0649 California Infrastructure and Economic Development Bank Fund	2,744	3,197	3,183
0890 Federal Trust Fund	-	-	4,300
0918 Small Business Expansion Fund	398	1,434	1,437
0995 Reimbursements	624	1,111	1,111
3083 Welcome Center Fund	56	56	78
3095 Film Promotion and Marketing Fund	-	10	10
9329 Chrome Plating Pollution Prevention Fund	-	278	283
<b>Totals, State Operations</b>	<b>\$16,336</b>	<b>\$15,189</b>	<b>\$19,948</b>
<b>Local Assistance:</b>			
0001 General Fund	\$-	\$2,500	\$-
0649 California Infrastructure and Economic Development Bank Fund	6,577	2,177	2,177
0995 Reimbursements	-	2,000	2,000
9329 Chrome Plating Pollution Prevention Fund	-	250	250
<b>Totals, Local Assistance</b>	<b>\$6,577</b>	<b>\$6,927</b>	<b>\$4,427</b>
<b>ELEMENT REQUIREMENTS</b>			
<b>25.10 California Film Commission</b>	<b>\$889</b>	<b>\$924</b>	<b>\$1,039</b>
<b>State Operations:</b>			
0001 General Fund	889	914	1,029
3095 Film Promotion and Marketing Fund	-	10	10
<b>25.20 Manufacturing Technology Program</b>	<b>\$-</b>	<b>\$2,126</b>	<b>\$2,126</b>
<b>State Operations:</b>			
0995 Reimbursements	-	126	126
<b>Local Assistance:</b>			
0995 Reimbursements	-	2,000	2,000
<b>25.30 Tourism</b>	<b>\$7,770</b>	<b>\$1,974</b>	<b>\$2,091</b>
<b>State Operations:</b>			
0001 General Fund	7,300	1,247	1,313
0995 Reimbursements	470	727	778
<b>25.40 California Infrastructure and Economic Development Bank</b>	<b>\$9,429</b>	<b>\$10,581</b>	<b>\$6,325</b>
<b>State Operations:</b>			
0001 General Fund	-	2,500	758
0649 California Infrastructure and Economic Development Bank Fund	2,744	3,197	3,183
0995 Reimbursements	108	207	207

\* Dollars in thousands, except in Salary Range.

## 0520 Secretary for Business, Transportation and Housing - Continued

		2005-06*	2006-07*	2007-08*
<b>Local Assistance:</b>				
0001	General Fund	-	2,500	-
0649	California Infrastructure and Economic Development Bank Fund	6,577	2,177	2,177
<b>25.50</b>	<b>Small Business Expansion</b>	<b>\$4,325</b>	<b>\$5,889</b>	<b>\$12,015</b>
<b>State Operations:</b>				
0001	General Fund	3,927	3,927	5,745
0918	Small Business Expansion Fund	398	1,434	1,437
0890	Federal Trust Fund	-	-	4,300
9329	Chrome Plating Pollution Prevention Fund	-	278	283
<b>Local Assistance:</b>				
9329	Chrome Plating Pollution Prevention Fund	-	250	250
<b>25.60</b>	<b>Office of Military and Aerospace Support</b>	<b>\$444</b>	<b>\$566</b>	<b>\$551</b>
<b>State Operations:</b>				
0001	General Fund	398	515	551
0890	Federal Trust Fund	-	-	-
0995	Reimbursements	46	51	-
<b>25.70</b>	<b>Technology, Trade, and Commerce Agency Closure Costs</b>	<b>\$-</b>	<b>\$-</b>	<b>\$150</b>
<b>State Operations:</b>				
0001	General Fund	-	-	150
<b>25.80</b>	<b>Welcome Center Program</b>	<b>\$56</b>	<b>\$56</b>	<b>\$78</b>
<b>State Operations:</b>				
3083	Welcome Center Fund	56	56	78
<b>TOTALS, EXPENDITURES</b>				
State Operations		19,428	18,381	23,320
Local Assistance		6,577	6,927	4,427
<b>Totals, Expenditures</b>		<b>\$26,005</b>	<b>\$25,308</b>	<b>\$27,747</b>

### EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	57.8	64.0	64.0	\$4,069	\$4,350	\$4,385
Total Adjustments	-	-	3.0	-	218	423
Estimated Salary Savings	-	-3.4	-3.4	-	-231	-232
<b>Net Totals, Salaries and Wages</b>	<b>57.8</b>	<b>60.6</b>	<b>63.6</b>	<b>\$4,069</b>	<b>\$4,337</b>	<b>\$4,576</b>
Staff Benefits	-	-	-	1,314	1,538	1,627
<b>Totals, Personal Services</b>	<b>57.8</b>	<b>60.6</b>	<b>63.6</b>	<b>\$5,383</b>	<b>\$5,875</b>	<b>\$6,203</b>
OPERATING EXPENSES AND EQUIPMENT				\$14,045	\$12,506	\$17,117
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$19,428</b>	<b>\$18,381</b>	<b>\$23,320</b>
2 Local Assistance				<b>Expenditures</b>		
				2005-06*	2006-07*	2007-08*
Grants and subventions				\$6,577	\$6,927	\$4,427
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>				<b>\$6,577</b>	<b>\$6,927</b>	<b>\$4,427</b>

\* Dollars in thousands, except in Salary Range.

## 0520 Secretary for Business, Transportation and Housing - Continued

### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2005-06*	2006-07*	2007-08*
<b>0001 General Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation, as amended by Chapter 39, Statutes of 2005	\$8,678	-	-
Adjustment per Section 3.60	-5	-	-
Transfer to Legislative Claims (9670)	-8	-	-
001 Budget Act appropriation, as amended by Chapter 48, Statutes of 2006, and Chapter 790, Statutes of 2006	-	\$11,421	-
Allocation for employee compensation	-	57	-
Adjustment per Section 3.60	-	6	-
Transfer to Legislative Claims (9670)	-	-8	-
001 Budget Act appropriation	-	-	\$5,469
002 Budget Act appropriation (TTCA closure costs)	-	-	150
011 Budget Act appropriation (transfer to Small Business Expansion Fund)	3,927	3,927	3,927
<b>Totals Available</b>	<b>\$12,592</b>	<b>\$15,403</b>	<b>\$9,546</b>
Unexpended balance, estimated savings	-	-6,300	-
<b>TOTALS, EXPENDITURES</b>	<b>\$12,592</b>	<b>\$9,103</b>	<b>\$9,546</b>
<b>0044 Motor Vehicle Account, State Transportation Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation, as amended by Chapter 39, Statutes of 2005	\$1,133	-	-
Adjustment per Section 3.60	-6	-	-
001 Budget Act appropriation, as amended by Chapter 48, Statutes of 2006	-	\$1,171	-
Allocation for employee compensation	-	68	-
Adjustment per Section 3.60	-	7	-
001 Budget Act appropriation	-	-	\$1,428
<b>Totals Available</b>	<b>\$1,127</b>	<b>\$1,246</b>	<b>\$1,428</b>
Unexpended balance, estimated savings	-2	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$1,125</b>	<b>\$1,246</b>	<b>\$1,428</b>
<b>0649 California Infrastructure and Economic Development Bank Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$3,248	\$3,067	\$3,183
Allocation for employee compensation	7	101	-
Adjustment per Section 3.60	-13	13	-
Prior year balances available:			
Chapter 263, Statutes of 2004	84	16	-
<b>Totals Available</b>	<b>\$3,326</b>	<b>\$3,197</b>	<b>\$3,183</b>
Unexpended balance, estimated savings	-566	-	-
Balance available in subsequent years	-16	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$2,744</b>	<b>\$3,197</b>	<b>\$3,183</b>
<b>0890 Federal Trust Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	-	-	\$4,300
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$-</b>	<b>\$4,300</b>
<b>0918 Small Business Expansion Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$435	\$420	\$437
Allocation for employee compensation	-	12	-
Adjustment per Section 3.60	-2	2	-

\* Dollars in thousands, except in Salary Range.

**0520 Secretary for Business, Transportation and Housing - Continued**

<b>1 STATE OPERATIONS</b>	<b>2005-06*</b>	<b>2006-07*</b>	<b>2007-08*</b>
Corporations Code Section 14030	3,653	3,927	3,927
Corporations Code Section 14075	<u>301</u>	<u>1,000</u>	<u>1,000</u>
<b>Totals Available</b>	<b>\$4,387</b>	<b>\$5,361</b>	<b>\$5,364</b>
Unexpended balance, estimated savings	<u>-62</u>	<u>-</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$4,325</b>	<b>\$5,361</b>	<b>\$5,364</b>
Less funding provided by the General Fund	<u>-3,927</u>	<u>-3,927</u>	<u>-3,927</u>
<b>NET TOTALS, EXPENDITURES</b>	<b>\$398</b>	<b>\$1,434</b>	<b>\$1,437</b>
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	\$2,513	\$3,057	\$3,055
<b>3083 Welcome Center Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	<u>\$56</u>	<u>\$56</u>	<u>\$78</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$56</b>	<b>\$56</b>	<b>\$78</b>
<b>3095 Film Promotion and Marketing Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	<u>-</u>	<u>\$10</u>	<u>\$10</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$10</b>	<b>\$10</b>
<b>9329 Chrome Plating Pollution Prevention Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	<u>-</u>	<u>\$278</u>	<u>\$283</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$278</b>	<b>\$283</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$19,428</b>	<b>\$18,381</b>	<b>\$23,320</b>
<b>2 LOCAL ASSISTANCE</b>			
	<b>2005-06*</b>	<b>2006-07*</b>	<b>2007-08*</b>
<b>0001 General Fund</b>			
APPROPRIATIONS			
101 Budget Act appropriation	0	-	-
101 Budget Act appropriation, as amended by Chapter 48, Statutes of 2006	-	\$2,500	-
101 Budget Act appropriation	<u>-</u>	<u>-</u>	<u>0</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$2,500</b>	<b>\$-</b>
<b>0649 California Infrastructure and Economic Development Bank Fund</b>			
APPROPRIATIONS			
Government Code Section 63050	<u>\$6,577</u>	<u>\$5,500</u>	<u>\$5,500</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$6,577</b>	<b>\$5,500</b>	<b>\$5,500</b>
Loan Repayment per Government Code Section 63050	<u>-</u>	<u>-3,323</u>	<u>-3,323</u>
<b>NET TOTALS, EXPENDITURES</b>	<b>\$6,577</b>	<b>\$2,177</b>	<b>\$2,177</b>
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	-	\$2,000	\$2,000
<b>9329 Chrome Plating Pollution Prevention Fund</b>			
APPROPRIATIONS			
101 Budget Act appropriation	<u>-</u>	<u>\$250</u>	<u>\$250</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$250</b>	<b>\$250</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$6,577</b>	<b>\$6,927</b>	<b>\$4,427</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)</b>	<b>\$26,005</b>	<b>\$25,308</b>	<b>\$27,747</b>

**FUND CONDITION STATEMENTS**

	2005-06*	2006-07*	2007-08*
--	----------	----------	----------

3083 Welcome Center Fund <sup>s</sup>			
---------------------------------------	--	--	--

\* Dollars in thousands, except in Salary Range.

**0520 Secretary for Business, Transportation and Housing - Continued**

	2005-06*	2006-07*	2007-08*
BEGINNING BALANCE	\$31	\$12	\$12
Prior year adjustments	<u>-15</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$16	\$12	\$12
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
161400 Miscellaneous Revenue	<u>52</u>	<u>56</u>	<u>75</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$52</u>	<u>\$56</u>	<u>\$75</u>
Total Resources	\$68	\$68	\$87
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0520 Secretary for Business, Transportation and Housing (State Operations)	<u>56</u>	<u>56</u>	<u>78</u>
Total Expenditures and Expenditure Adjustments	<u>\$56</u>	<u>\$56</u>	<u>\$78</u>
FUND BALANCE	\$12	\$12	\$9
Reserve for economic uncertainties	12	12	9

**3095 Film Promotion and Marketing Fund <sup>s</sup>**

BEGINNING BALANCE	-	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
161400 Miscellaneous Revenue	<u>-</u>	<u>\$10</u>	<u>\$12</u>
Total Revenues, Transfers, and Other Adjustments	<u>-</u>	<u>\$10</u>	<u>\$12</u>
Total Resources	-	\$10	\$12
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0520 Secretary for Business, Transportation and Housing (State Operations)	<u>-</u>	<u>10</u>	<u>10</u>
Total Expenditures and Expenditure Adjustments	<u>-</u>	<u>\$10</u>	<u>\$10</u>
FUND BALANCE	-	-	\$2
Reserve for economic uncertainties	-	-	2

**CHANGES IN AUTHORIZED POSITIONS**

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
Totals, Authorized Positions	57.8	64.0	64.0	\$4,069	\$4,350	\$4,385
Salary Adjustments	-	-	-	-	218	164
<b>Proposed New Positions:</b>				<b>Salary Range</b>		
Undersecretary	-	-	1.0	10,953	-	132
Staff Services Mgr I	-	-	1.0	4,746-5,726	-	65
Assoc Govtl Prog Analyst	<u>-</u>	<u>-</u>	<u>1.0</u>	<u>4,255-5,172</u>	<u>-</u>	<u>62</u>
<b>Totals, Proposed New Positions</b>	<u>-</u>	<u>-</u>	<u>3.0</u>	<u>\$-</u>	<u>\$-</u>	<u>\$259</u>
<b>Total Adjustments</b>	<u>-</u>	<u>-</u>	<u>3.0</u>	<u>\$-</u>	<u>\$218</u>	<u>\$423</u>
<b>TOTALS, SALARIES AND WAGES</b>	<b>57.8</b>	<b>64.0</b>	<b>67.0</b>	<b>\$4,069</b>	<b>\$4,568</b>	<b>\$4,808</b>

\* Dollars in thousands, except in Salary Range.